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DDIS 63-3301

Personnel 11-1

29 JUL 1963

MEMORANDUM FOR : Executive Director

THROUGH : Deputy Director (Support) */s/ LKH* 31 JUL 1963

SUBJECT : GEHA Coverage for Psychiatric Treatment

1. In my memorandum to you dated 2 April 1963, same subject, I reported that we were obtaining a cost estimate from Mutual of Omaha for providing outpatient psychiatric care coverage comparable to that provided by other health plans. Our Association Benefit Plan now provides for outpatient psychiatric care to the extent of 50 visits per year with the Plan paying 50 per cent of the cost not to exceed \$15.00 per visit. The Blue Cross-Blue Shield Plan provides for the payment of an unlimited number of visits per year at the rate of 50 per cent of the charge without a limit on the charge per visit. The AETNA Life Insurance Company Plan pays a maximum of 50 per cent of psychiatrists' charges, or \$250.00 per person each calendar year, whichever is less. The Group Health Association Plan provides no outpatient psychiatric care and limits inpatient psychiatric care to patients of general hospitals thereby excluding specialized institutions treating mental illness.

2. I am pleased to report that through several discussions with Mutual of Omaha we have been able to arrive at an increase in the psychiatric benefits under the Association Health Plan for the contract year beginning 1 November 1963 without an increase in cost. The increased benefit amounts to removing the 50-visits-per-year limitation presently in our Association Health Plan, which equates our Plan with that of Blue Cross-Blue Shield and is substantially better than offered by AETNA. The coverage which will be offered will provide for unlimited outpatient psychiatric consultations with the Plan picking up 50 per cent of the cost not to exceed \$15.00 per visit. We have discussed the 50 per cent coverage and the \$15.00 limit with the Chief of the Psychiatric Division of the Medical Staff. He affirms that sharing the cost is a desirable part of the therapy and that the \$15.00 maximum payment per visit is well within the current and foreseeable charges of psychiatrists to whom the Medical Staff will refer patients. He also believes we will experience no appreciable increase in the number of

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Agency employees seeking psychiatric care under the health plan. Thus, we anticipate no adverse effects upon the very favorable balance now existing between premium payments and claim payments.

3. We have conferred with the Director, Bureau of Retirement and Insurance, Civil Service Commission, on this proposed change and he has assured us that the Commission will include the change at the time it reviews our contract with Mutual of Omaha.

for Larry W. Miller, JR.

[Signature]
Emmett D. Echols
Director of Personnel

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STAT OP/BSD/ :lpb(16 July 63)

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